

## REVENUES AND EXPENDITURES

The 1999-2000 Budget Bill, SB 160 (Peace) appropriates \$81.7 billion in total funds for fiscal year 1999-00 and approximately \$64 billion in General Funds. The Conference Committee version results in a reserve of over \$1.2 billion or 1.9 percent of expenditures, which is somewhat higher than the Governor's proposal that provided a reserve of \$985 million or 1.6 percent of expenditures.

The following chart compares the Governor's May Revision General Fund Revenues and Expenditures to those contained in SB 160. The revenue amount for 1999-00 assumed by the Conference Committee is \$245 million higher than the Governor's May Revision. The July 1, 1999 starting balance of the Conference Committee is \$178 million higher than the Governor's May revision. These higher amounts are primarily a result of the Conference Committee's adoption of the Legislative Analyst revenue projections, which are \$223 million and \$137 million higher than the Governor's May revision for the budget and current years, respectively. The Conference Committee's expenditure level is \$829 million higher than the Governor's.

Included in the amount outlined above is \$236 million in subventions to backfill local revenue losses resulting from additional vehicle license fee (VLF) tax relief in 1999-00. The Conference Committee also approved the proposal to make permanent the current partial income tax exclusion for capital gains on small business stock. Additionally, the Conference Committee approved exempting qualified new corporation from being subject to the minimum franchise tax during the first two years of incorporation, effective January 1, 2000. This exemption will provide \$28 million in tax relief in 1999-00, and \$60 million annually in subsequent fiscal years.

## GENERAL FUND CONDITION STATEMENT 1999-2000

(IN MILLIONS)

	GOVERNOR'S REVISED BUDGET	CONFERENCE COMMITTEE VERSION	DIFFERENCE
PRIOR YEAR BALANCE	2,361	2,539	178
REVENUES AND TRANSFERS:			
PER MAY REVISION	62,985	63,230	245
<b>TOTAL RESOURCES AVAILABLE</b>	<b>65,346</b>	<b>65,769</b>	<b>423</b>
<b>TOTAL EXPENDITURES</b>	<b>63,223</b>	<b>64,052</b>	<b>829</b>
<b>FUND BALANCE</b>	<b>2,123</b>	<b>1,717</b>	<b>-406</b>
RESERVES:			
RESERVE FOR ENCUMBRANCES	(480)	(480)	--
RESERVE FOR ECONOMIC UNCERTAINTIES	(985)	(1,237)	(252)
SET ASIDES:			
VLF REDUCTION IN 2000-01	(248)	(--)	(-248)
EMPLOYEE COMPENSATION & LITIGATION	(300)	(--)	(-300)
HEALTH AND IN-HOME SERVICES	(110)	(--)	(-110)

The chart below compares the Governor's May Revision General Fund expenditures by major agencies to those proposed by the Conference Committee in SB 160.

**GOVERNOR'S MAY REVISION VS.  
CONFERENCE COMMITTEE VERSION  
1999-2000 BUDGET - GENERAL FUND EXPENDITURES  
COMPARISON BY AGENCY  
(IN MILLIONS)**

	<b>GOVERNOR'S REVISED 1999-2000 BUDGET</b>	<b>CONFERENCE COMMITTEE VERSION</b>	<b>DIFFERENCE</b>
LEGISLATIVE, JUDICIAL & EXECUTIVE	2,176	2,203	27
STATE & CONSUMER SERVICES	454	485	31
BUSINESS, TRANSPORTATION & HOUSING	441	424	-17
TRADE & COMMERCE	479	486	7
RESOURCES	1,186	1,325	139
ENVIRONMENTAL PROTECTION	156	191	35
HEALTH & HUMAN SERVICES	16,710	17,119	409
YOUTH & ADULT CORRECTIONAL	5,088	4,716	-372
K – 12 EDUCATION	26,462	26,480	18
HIGHER EDUCATION	7,877	8,079	202
GENERAL GOVERNMENT	2,194	2,544	350
<b>TOTAL</b>	<b>\$63,223</b>	<b>\$64,052</b>	<b>\$829</b>

**BUDGET CONFERENCE COMMITTEE SUMMARY**

The following is a summary of major Budget Conference Committee actions reflected in the 1999 Budget Bill, including: K-12 education; higher education; health; disability programs; social services; local government relief; general government; public safety/corrections; transportation; resources and environmental protection; economic development; and infrastructure investments.

**K-12 EDUCATION**

The 1999-00 budget significantly increases investments in the public education system, raising the K-12 per-pupil funding level in California by five percent over last year's level, to \$6,035 per pupil. Specifically, the budget provides an increase in funding which is approximately \$174 million over the minimum funding level for education required by the state Constitution (Proposition 98).

- ***Unrestricted funds.*** An increase of approximately \$455 million in ongoing unrestricted funds. School districts will be able to utilize these funds for any locally determined purpose.
- ***School safety.*** \$100 million for a new school safety block grant proposal for grades 8-12. Schools will be able to utilize these funds for counselors, school safety equipment and any other related purposes.
- ***Instructional materials.*** Approximately \$134 million in one-time funds that districts may use for either a) instructional materials, including materials designed for English learners or b) staff development.
- ***Beginning teacher salaries.*** \$50 million for legislation to increase beginning teachers' salaries statewide.
- ***Teacher bonuses for improvements in low-performing schools.*** \$50 million for legislation to provide cash rewards to teachers in low-performing schools that significantly improve their schools' performance.
- ***Classroom libraries in grades K-4.*** \$25 million for classroom libraries in grades kindergarten through 4.
- ***Charter schools.*** \$20 million to pay for the costs of a new funding model for charter schools. The Conference Committee also adopted language to establish the model, which provides for equitable funding between charter schools and non-charter schools, as well as language to require charters to offer a minimum number of instructional minutes per year and language that requires that charters that offer independent study comply with related state laws and regulations.

- **English learners.** \$50 million for a program to provide supplemental services to English learners in grades 4 through 8. \$10 million for professional development for teachers that serve English learners in all grades.
- **Dropout prevention.** \$8 million to expand the number of schools that can benefit from dropout prevention grant programs that fund outreach counselors.
- **9<sup>th</sup> grade Class Size Reduction.** \$28 million to increase the funding rate for the 9th grade Class Size Reduction program from the current \$135 per pupil to a new level of \$165 per pupil.
- **Categorical Flexibility.** The Conference Committee adopted an increase in the amount that school districts can transfer in funding from one categorical program to another, so that a district can now transfer up to 20 percent of the funding from program to other programs, as long as those transfers don't exceed 25 percent of the total amount for the receiving program. Additionally, LEAs must track all transfers and reporting then to the state in order to inform future actions on categorical reform.
- **High-school block grant.** \$29 million for a per-pupil block grant to high schools, to be used for assisting high school students to prepare for the high school exit exam, additional class size reduction, improving counselor/student ratios and other programs to improve academic performance.
- **Parental involvement.** \$20 million to fund a new grant program to support parental involvement.
- **After school programs.** \$35 million to expand after-school programs in middle and elementary schools.

## HIGHER EDUCATION

The 1999 budget provides a significant increase in funding for California's public higher education segments: University of California (UC), California State University (CSU) and the Community College system. Overall funding for the three segments is increased by \$624 million or 7.5 percent over last year's budget. The budget increases funding for UC by 7.3 percent or \$184 million, 7.3 percent or \$156 million for CSU and 7.9 percent or \$284 million for Community Colleges.

- **Enrollment Growth.** The budget provides resources to fully fund enrollment growth at UC, CSU and the Community College system – thus helping accommodate the estimated 455,000 new students expected to enter California's higher education system over the next seven years.

- **Financial Aid.** The budget contains \$26.4 million to expand the Cal Grant Programs within the Student Aid Commission. Of these funds, \$19 million would expand the Cal Grant A, B and C programs, \$5 million would expand the Cal Grant T program, and \$2.4 million would be used to increase the maximum award amount for students attending private colleges and universities. This action would provide new financial aid awards for 10,489 qualified, needy students and come closer to meeting the statutory goal of providing aid to 25 percent of high school graduates. The budget also provides authorization to expand the Assumption Program for Loans and Education (APLE) teacher loan forgiveness program by 1,100 awards.
- **Student Academic Outreach.** The budget includes \$36.7 million to expand student academic outreach programs at the UC, CSU, Community Colleges and the Student Aid Commission – helping disadvantaged students attend college. Of these funds, \$7 million will be used to expand UC outreach programs, \$15.4 million for CSU outreach programs, \$12.3 million for Community College programs, and \$2 million for Student Aid Commission outreach programs.
- **Student Fees.** The budget rolls back UC and CSU fees by five percent, for a total decrease of ten percent when coupled with legislation from 1997, AB 1318 (Ducheny), Chapter 853. California students and their families will save \$156 per year at CSU and \$370 per year at UC compared to 1997-98 fee levels. At Community Colleges, the budget rolls back community college fees by \$1 per unit, which, coupled with last year's reductions totals \$2 per unit over 1997-98 levels.
- **Capital Outlay.** The budget provides \$650 million in capital outlay funds to upgrade existing campuses and construct new facilities at UC, CSU and Community Colleges campuses and \$13 million to develop new campuses such as UC Merced, CSU Monterey Bay, and CSU Channel Islands;
- **Community Colleges Partnership for Excellence Program.** The budget provides \$45 million to expand the successful Partnership for Excellence Program – for a total budget of \$145 million. This program provides increased funding for Community Colleges distributed on a Full-time Equivalent Students (FTES) basis in exchange for local accountability and improved student outcomes.

## HEALTH

The 1999-00 health budget builds on last year's legislative efforts to expand access to health care by 1) raising the Healthy Families income eligibility limit from 200 percent to 250 percent of the federal poverty level (including Medi-Cal income deductions), 2) expanding Medi-Cal coverage to include working poor parents, 3) simplifying Medi-Cal application and reporting requirements, and 4) increasing Medi-Cal reimbursement rates. This budget also recognizes the important role of safety net providers, as well as the need for continued investments in the public health infrastructure. Finally, the health budget provides critically needed support for improvements in nursing homes and the state system for the developmentally disabled.

- **Health Coverage for Children and Families.** The Legislature provided \$136 million (\$68 million General Fund) to expand Medi-Cal to include low-income two parent families. In addition, the budget includes \$21.8 million (\$8.4 million General Fund) to expand Healthy Families coverage to children in families with incomes up to 250 percent of the federal poverty level (with Medi-Cal income deductions), and to provide coverage to legal immigrant children entering the country after August 1996.
- **Medi-Cal Rate Increases.** For the second year in a row, the Legislature will improve access to care for current Medi-Cal patients. The 1999-00 conference committee provided \$80 million (\$39.5 million General Fund) to restore and increase Medi-Cal provider reimbursement rates for anesthesiology, radiology and surgery, in-home adult nursing, optometrists, ambulances, cardiac catheterization, and for physicians care of California Children's Services' patients.
- **Health Care Safety Net.** The legislature's budget provides about \$103 million (\$97 million Proposition 99, and \$6 million General Fund) for the California Healthcare for Indigents Program (CHIP) to assist counties in meeting their indigent care responsibilities. It includes \$24 million (\$18 million General Fund, and \$6 million Proposition 99) for the Expanded Access to Primary Care Clinic Grant program. Finally, it provides \$30 million to support public and private hospitals serving Medi-Cal and indigent patients by reducing the state administrative fee for the Disproportionate Share Hospital Program.
- **Nursing Home Reform.** The conference budget includes \$72 million (\$36 million General Fund) to improve the quality of nursing homes by providing a five percent wage pass-through, and increasing the nurse to patient staffing ratio.
- **Expanded Family Planning Services.** The budget includes about \$47 million (\$4.7 million General Fund) to expand family planning services under a federal waiver.

## **SOCIAL SERVICES**

- **CalWORKs.** The budget includes funding for the statutory CalWORKs COLA, at 2.36 percent. A family of three in a high-cost county currently receives a monthly grant of \$611. This would increase to \$626 per month.
- **SSI/SSP COLA.** The budget includes funding for the statutory state SSI/SSP COLA, at 2.36 percent. Currently, an aged or disabled individual receives \$676 per month. This would increase to \$692 per month on January 1, 2000.

- **Seniors.** The budget includes an increase of \$30 million General Fund to expand the Adult Protective Services program, which responds to reports of abuse and neglect of adults and the elderly. In addition, the budget provides \$7.9 million General Fund to expand the following programs: Multipurpose Senior Services Program, Linkages, Long-Term Care Ombudsman, Brown Bag, Foster Grandparent, Senior Companion, Home Delivered Meals, Respite Services, and the Health Insurance Counseling and Advocacy Program.
- **In-Home Supportive Services.** The budget also includes \$90 million General Fund as the state's financial contribution for costs associated with public authorities in the In-Home Supportive Services program. Part of these funds would be used to cover a portion of the counties' share of cost.
- **Legal Immigrants.** The budget includes \$45 million for the Cash Assistance Program for Immigrants (CAPI) and adopts trailer bill language to extend the sunset and to expand eligibility for the program. The CAPI program provides state-only SSI/SSP benefits to noncitizens who lost eligibility for the SSI/SSP program due to federal welfare reform. The budget includes \$60.4 million for the California Food Assistance Program (CFAP) which provides state-only food stamp benefits for noncitizens ages 18 through 64. The budget includes \$12 million to expand eligibility for the program and extends the sunset for the CFAP program. The budget also includes \$7 million to provide naturalization assistance services.
- **Drug Courts.** The budget includes \$8 million for the Drug Court Partnership Act program and augments by an additional \$6 million for a comprehensive drug court program which includes juvenile, dependency, and post/pre-conviction drug courts.
- **Foster Care.** The budget includes the following: \$4 million to increase in-state placement capacity for foster care children through innovative pilot projects; a 2.36 percent COLA for all foster care providers; a two percent rate increase for all foster care providers, effective January 1, 2000; \$9.9 million augmentation to allow counties to hire public health nurses to help foster care children gain access to health related services; \$1.5 million for the Foster Family Home and Small Family Home Insurance Fund in order to meet liabilities incurred by licensed foster parents as mandated by state statute.

## **DISABILITY PROGRAMS**

- **Community Care Facilities Staff Salary Increase.** The budget continues funding for reforms initiated last year, including \$22.7 million for a salary increase for direct care staff in community care facilities, and \$17 million (\$3.5 million General Fund) to provide a three percent rate increase for community care facilities.

- **State Developmental Center Certification.** The budget includes funds to begin to address certification issues in the five state developmental centers, including about \$30 million for an accelerated staffing augmentation, and \$16 million to provide recruitment and retention bonuses.

## **LOCAL GOVERNMENT RELIEF**

- **Local Government Relief.** The budget provides \$150 million of one-time relief to local government distributed as follows: \$75 million to cities and counties on a per capita basis, and \$75 million to cities, counties and special districts in proportion to the Educational Revenue Augmentation Fund (ERAF) transfers.
- **Public Library Foundation Grants.** The budget provides an additional \$20 million over what the administration proposed for public libraries in January for a total of \$58.8 million.
- **Constitutional Amendment for Local Government Reform.** The budget proposes, contingent upon passage of a constitutional amendment, an ERAF cap and a buy out of schools' share of the property tax administration.
- **Infrastructure Bank Funding.** The budget provides an additional \$425 million to the Infrastructure Bank which will be available for financial assistance to local jurisdictions that will include, but not be limited to, leveraged revolving fund loans at below market rates. These local projects would address the state's infrastructure needs that facilitate economic development, such as repairing city streets and county highways.
- **Citizens Option for Public Safety (COPS).** The budget appropriates \$100 million for the popular COPS program, which provides funding for frontline public safety activities for local law enforcement entities. The program assumes the funding formula and authorizations consistent with prior years.
- **Local Detention Facilities.** The budget provides \$75 million in federal funds for counties to construct local detention facilities, including juvenile facilities.
- **Local Law Enforcement Grants.** The budget provides \$30 million in one-time funding for equipment purchases. The grants will be distributed on a competitive basis.
- **Mentally Ill Offender Crime Reduction Grants.** The budget provides an additional \$37.7 million for counties to develop programs for mentally ill offenders in jails.
- **Mental Health.** The budget includes \$10 million to provide grants to counties for training and to establish programs which would provide incentive funding for county mental health programs. This funding would encourage counties to provide integrated services to mentally ill adults who would otherwise be at risk of homelessness or incarceration.

- **Booking Fees.** The budget provides ongoing relief in arrears to cities for payments made to counties for booking and processing fees. The initial appropriation is \$50 million starting in 1999-00 for reimbursement of payments to counties during 1997-98. In 2000-01 the reimbursement level will be adjusted for actual claims received and a two percent annual increase.
- **Trial Court Relief.** Pursuant to Chapter 1017, Statutes of 1998, effective 1999-00, the budget will provide \$96 million in relief over current year levels.
- **Modernization Fund.** The budget provides a \$25 million increase to the Modernization Fund. This includes \$19.1 million in Y2K remediation funding and \$4 million in trial court perimeter security funding.
- **Court Interpreter Rate Increases.** The budget provides \$7 million to raise trial court interpreter rates to competitive levels and therefore further ensure access.

## **TAX RELIEF**

- **Vehicle License Fee.** The budget provides funding for a \$500 million tax cut for Californian families by increasing the Vehicle License Fee (VLF) reduction from 25 percent to 35 percent.
- **Minimum Franchise Tax.** The budget provides funding for a \$60 million tax cut for new small businesses by eliminating the minimum franchise tax during the first two years of incorporation.
- **Capital Gains.** The budget provides for the elimination of the sunset date for the current partial income tax exclusion for capital gains on small business stock.

## **GENERAL GOVERNMENT**

- **Employee Compensation.** The budget includes a sufficient reserve to allow the Administration to negotiate an appropriate state employee pay raise through the collective bargaining process and to settle long standing litigation.
- **Smog Check.** The budget restored funding for the Smog Check program with major revisions to the program, which would exempt millions of low-polluting vehicles from testing and subsidize testing costs for high polluting vehicles. The program also improves customer convenience while making strides to meet federal clean air requirements.
- **Sesquicentennial Celebration.** The budget deletes \$963,000 and eliminates the Secretary of State's responsibility for the Sesquicentennial Project, which has faced fiscal and management problems despite continuous General Fund appropriations over the past several years. \$530,000 has been appropriated in grants to be administered by the

Department of Parks and Recreation to local groups coordinating the Tall Ships event, which highlights the state's sesquicentennial celebration.

- **Low-Income Housing.** The budget includes approximately \$36 million for the reinvestment in low and moderate-income. The budget also funds the Governor's Housing Task Force to establish priorities for the housing needs of all Californian's. For low-income housing we provide \$2 million for an increase in Self-Help housing technical assistance; \$5 million for Families Moving to Work; \$ 3 million for the Emergency Housing Assistance Program and \$12.5 for Rehabilitation and code enforcement.
- **Farmworker Housing.** Specifically, the budget contains \$5.8 million for the Office of Migrant Services to rebuild existing farmworker housing and \$5 million to the Farmworker Housing Grant Program to build much needed additional housing in rural areas.

## **PUBLIC SAFETY/CORRECTIONS**

- **Substance Abuse Treatment.** The budget provides \$3 million in increased in-prison treatment funding and an additional \$6 million in aftercare treatment funding.
- **Parole Casework Services.** The budget not only includes the \$5.5 million proposed by the administration for increased casework funding, but it includes an additional \$5 million Legislative augmentation for this purpose.
- **Parole Programs.** The budget provides \$10.7 million for targeted services to Women Parolees and their Children. It also includes \$6 million in Pre-Release Program funding to better prepare parolees for transition into the community. Finally, the budget provides \$3.1 million for an innovative parole pilot program known as the Task Driven Parole Model, which will employ a variety of innovations such as use of a day reporting center.

## **TRADE & COMMERCE**

- **Commercial Space Industry Development.** Retains \$6.5 million for coordinating and fostering California's development of the growing commercial space industry. Currently, California owns approximately 60 percent of a \$12 billion satellite manufacturing market that is expected to reach \$15 billion by 2001. The state also possesses 20 percent of the world launch market, which is projected to nearly double by 2001, and triple by 2010.

- **International Trade.** Includes \$800,000 for international development and export enhancement efforts through the establishment of trade offices in India, Argentina, and Singapore.

## TRANSPORTATION

- **Project Delivery.** The budget includes \$120 million to address project delivery workload increases as a result of additional transportation funds available to be programmed for projects through an amendment to the 1998 State Transportation Improvement Program (STIP).
- **Local Assistance.** The budget includes \$324 million to increase local assistance to reflect additional local projects being programmed in the amendment to the 1998 STIP.
- **Commuter Rail.** The budget includes \$37.5 million for the acquisition of train sets in the intercity rail system, acquisition of a train set for the Altamont Commuter Express, and \$6 million available to be matched for the purchase of ferry boats for the San Francisco Bay.
- **El Protector Program.** The budget includes \$423,000 for six full time positions for the El Protector program, a public relations program that serves non-English speaking communities.

## RESOURCES & ENVIRONMENTAL PROTECTION

- **River Parkways.** The budget provides \$25 million for river parkways programs throughout the State, including:
  - \$2.5 million for competitive grants;
  - \$3.25 million for the Otay River Parkway;
  - \$6.8 million for the Los Angeles River Parkway;
  - \$2 million for the Tijuana River Valley;
  - \$5 million for the San Joaquin River Parkway;
  - \$2 million for the Guadalupe River;
  - \$1 million for the Tujunga Wash;
  - \$700,000 for the San Gabriel River; and
  - \$500,000 for the American River Parkway.
- **Conservation and Habitat Plan.** Provides \$1 million for the preparation of a Statewide Conservation and Habitat Plan.

- **Unscheduled Acquisitions.** The budget includes \$47 million for acquisitions by State entities. This includes:
  - \$19.5 million for acquisitions by the Wildlife Conservation Board; and
  - \$10 million in challenge grant funding for acquisitions by the Coastal Conservancy.
  - \$7.5 million for acquisitions by the Coastal Conservancy; and
  - \$10 million for augmentation by the Santa Monica Mountains Conservancy.
- **Scheduled acquisitions.** The budget includes \$61.7 million for specified acquisitions of key threatened habitats throughout the State. This includes:
  - \$4 million for an acquisition at Morro Bay;
  - \$2 million for the Coal Canyon Corridor;
  - \$5 million for acquisitions along the San Joaquin River;
  - \$2 million for acquisitions within the San Bernardino Forest;
  - \$2.6 million for acquisitions along the Redwoods to the Sea Corridor;
  - \$250,000 for an acquisition at Mount Diablo;
  - \$1.5 million for an acquisition at Tomales Bay;
  - \$950,000 for the Rancho San Andreas Castro Adobe;
  - \$2 million for additions to Henry Coe State Park;
  - \$4 million for additions to Kenneth Hahn State Recreation Area;
  - \$2.5 million for the San Francisco Bay Trail;
  - \$10 million for the Bay Area Conservancy;
  - \$5 million for acquisitions along the Gaviota Coast;
  - \$900,000 for acquisition of the Big Sur Scenic Viewshed;
  - \$5 million for the acquisition of Palo Corona Ranch;
  - \$1.5 million for additions to Union Point Park;
  - \$1 million for the acquisition of the "Window's By The Bay" (Monterey);
  - \$5 million for acquisitions along the Mendocino Coast;
  - \$1.5 million for an acquisition at Bolinas Lagoon; and
  - \$5 million for the Oakmont acquisition in the Santa Monica Mountains.
- **Carl Moyer Air Standards Attainment Program.** The budget provides \$25 million for the Carl Moyer Memorial Air Standards Attainment Program, including \$5 million for the Energy Commission and \$20 million for the Air Resources Board.
- **Marine Life Management Act.** The budget includes \$5.2 million to provide full funding for the Marine Life Management Act.
- **Port Dredging.** The budget includes \$12 million to match federal funds for dredging projects at ports throughout California.

- **Parks Deferred Maintenance.** The budget includes \$157 million for deferred maintenance in State Parks, this includes \$10 million specifically for cultural heritage projects and \$10 million for natural heritage projects.
- **Flood Subventions.** The budget includes \$46 million for local flood control subventions, this is \$2 million more than required by current statute.
- **Water Storage.** The budget includes \$10 million for feasibility studies of CalFed integrated water storage projects north of the Delta and to complete the investigation of the Sites Reservoir.
- **Clean Water.** The budget includes \$25 million clean water activities. This includes \$10 million for the development of TMDLs; \$2.1 million for the evaluation of pesticide contamination in surface water; \$2 million for activities associated with the phase out of MTBE; \$4 million to increase the baseline of ambient surface and groundwater monitoring; \$3 million to reduce the backlog of Waste Discharge Requirement (WDR) and National Pollutant Discharge Elimination System (NPDES) permits; \$400,000 to complete the analysis necessary to adopt the California Inland Surface Waters Plan and the Bays and Estuaries Plan; and \$3.5 million for inspections of WDR and NPDES permit holders and to inspect stormwater discharges.
- **Fish and Game Staffing.** The budget includes \$1.5 million to restore cuts to Department of Fish and Game staffing, including funding for ten additional wardens, five additional botanists, and five additional biologists.
- **CalEPA Enforcement.** The budget includes \$2 million to establish a deputy director for environmental enforcement, the deputy will be charged with referring environmental protection law violators to the Attorney General.

## **INFORMATION TECHNOLOGY**

- **Y2K.** Resolution of the Y2K problem is a major priority for the state of California, consequently the budget has prioritized the testing and verification for all the state's computer systems. The budget provides \$17.5 million to establish an Events Management Center in Rancho Cordova that will serve as headquarters for Y2K Testing Activities. Over \$9 million will be spent for inspections of companies that manufacture or transport hazardous materials in California. The budget creates a special reserve including \$10 million general fund, \$10 million in special funds, and \$10 million in non-governmental cost funds for the Information Technology Century Change Account which can be quickly accessed as needed to meet the Y2K challenge in various state departments.